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State coffers could run dry by April

State Treasurer Dean Martin cautioned authorities today to take action before the state runs out of money to cover its spending obligations, which he said will happen by late April or early May.

Martin said during a press conference he has never seen a situation such as this in state government, but observed there are ways to resolve it. The quickest would be a budget revision. There's also the state's rainy-day fund, which has about \$700 million that could cover much of the gap.

But as treasurer, Martin can't touch that money without legislative approval.

"The state still has cash in the bank," Martin said. "There's plenty of liquidity here. But we're close to getting overdrawn."

Martin said the state is spending at the rate of \$29 million a day, even as tax collections have slowed, reducing the amount of money in the state's bank account. But he said he's confident the Legislature and Gov. Janet Napolitano can pass a revised budget to close the deficit before the state runs out of money.

Mary Jo Pitzl The Arizona Republic
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